

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

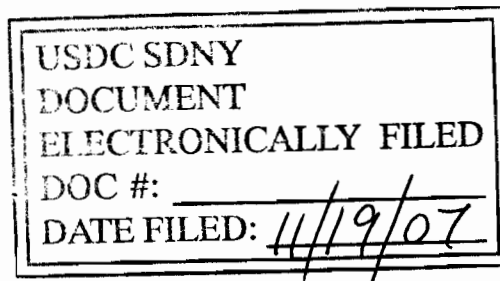
UNITED STATES OF AMERICA

-v.-

PETER CASTELLANETA and
CURTIS GATZ,

Defendants.

06 Cr. 684 (GEL)



UNITED STATES OF AMERICA

-v.-

PETER CASTELLANETA and QUEENS
LONG ISLAND MEDICAL GROUP, P.C.,

Defendants.

07 Civ. 7694 (GEL)

ORDER

GERARD E. LYNCH, District Judge:

Defendant Peter Castellaneta seeks reconsideration of the Court's orders affecting the disposition of property in the above captioned cases, and dismissal of the Government's interpleader action. Reconsideration is granted and, defendant's arguments having been fully considered, the Court adheres to its prior rulings.

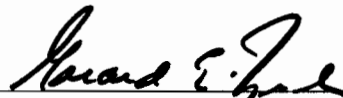
1. Castellaneta's motion for return of property, filed in the criminal case, United States v. Castellaneta, 06 Cr. 684 (GEL), has been fully considered by the Court and denied. The Government has deposited the property with the Court pursuant to the interpleader action and is no longer in possession of the funds. The criminal case is closed. No party shall file further applications in this matter under the criminal docket number.

2. The Court has made clear that the proper forum for resolving entitlement to the contested funds is in the state court action. Contrary to Castellaneta's assertions, the interpleader action is not an end-run around any New York rules regarding attachment or provisional relief. The Court has stayed this action pending action of the state court, and expressed its clear intention to defer to any state court ruling regarding interim relief with respect to disposition of the funds pending the state court action. It appears, however, that despite this Court's clear ruling, Castellaneta's assertion that it is indisputable that QLIMG is not entitled to preliminary

relief, and QLIMG's equally confident claim that it is entitled to a restraining order, neither party has submitted the question of interim relief to the state court. This Court has acted to prevent money from being returned to Castellaneta that may be subject to attachment in state court. If neither party seeks to clarify the question of the interim status of the funds in state court by December 10, 2007, the Court will vacate the stay, and reopen the question of the appropriateness of the interpleader action. If an application for appropriate provisional relief is made in the state court on or before that date, the stay will remain in place pending the resolution of the issue in the state court.

SO ORDERED.

Dated: New York, New York
November 19, 2007



GERARD E. LYNCH
United States District Judge